

ABSTRACT

A system and method for managing liability insurer's healthcare claims, allows liability insurers, such as property and casualty insurers, who have no direct policy relationship with patients for whom they become financially responsible, to take advantage of healthcare provider "rate regulations," and "healthcare management," including incentives, heretofore only available to healthcare insurers from healthcare providers within an "active network." A system administrator manages clamant healthcare claims from member passive network healthcare providers for member liability insurers that become financially responsible for these claims as a result of the actions or inactions of their liability policyholders. The liability insurer members within the insurer network are in contractual relationship with the system administrator who is in contractual relationship with member healthcare providers of the passive healthcare provider network such that when a provider of healthcare product or service submits a claim, for which a system liability insurer member is financially responsible, the system administrator validates the claim as falling in the system; applies the provider network rules; and applies provider coverage rules to determine the level of coverage by the member liability insurer for the claim. Based on this determination, that portion of the claim covered by the member liability policy the claimant is paid by the system administrator. In another aspect, an Allocation Fund is provided to pay claims where more than one system liability insurer may be liable for the claim.